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Quarles & Brady Streich Lang LLP Firm State Bar No. 00443100 1 RECEIVED 03 Renaissance One 2 Two North Central Avenue Phoenix, AZ 85004-2391 2006 NOV 20 P 12: 16 TELEPHONE 602.229.5200 3 Attorneys for Respondents AGRAZ CORP COMMISSION 4 Technologies, Inc.; William Jay DOCUMENT CONTROL and Sandra Lee Pierson; and William 5 H. and Patricia M. Baker 6 Lonnie J. Williams, Jr. (#005966) Carrie M. Francis (#020453) 7 BEFORE THE ARIZONA CORPORATION COMMISSION 8 9 In the matter of: 10 AGRA-TECHNOLOGIES, INC. (a/k/a ATI), a Nevada corporation, **DOCKET NO. S-20484A-06-0669** 11 5800 North Dodge Avenue, Bldg. A Flagstaff, AZ 86004-2963; 12 WILLIAM JAY PIERSON (a/k/a BILL 13 PIERSON) and SANDRA LEE PIERSON (a/k/a SANDY PIERSON), husband and wife, ANSWER TO TEMPORARY 14 ORDER TO CEASE AND DESIST 6710 Lynx Lane FOR RESPONDENTS AGRA-Flagstaff, AZ 86004-1404; 15 **TECHNOLOGIES, INC.;** RICHARD ALLEN CAMPBELL (a/k/a WILLIAM JAY AND SANDRA 16 LEE PIERSON; AND WILLIAM H. DICK CAMPBELL) and SONDRA JANE AND PATRICIA M. BAKER CAMPBELL, husband and wife, 17 8686 West Morten Avenue Glendale, AZ 85304-3940; 18 WILLIAM H. BAKER, JR. (a/k/a BILL 19 BAKER) and PATRICÍA M. BAKER, husband and wife, 20 3027 N. Alta Vista Flagstaff AZ 86004 21 JERRY J. HODGES and JANE DOE 22 HODGES, husband and wife, Arizona Corporation Commission 1858 Gunlock Court DOCKETED 23 St. George, UT 84790-6705; 24 NOV 2 0 2006 LAWRENCE KEVIN PAILLE (a/k/a LARRY PAILLE) and JANE DOE PAILLE, 25 husband and wife, **DOCKETED BY** 220 Pinon Woods Drive 26 Sedona, AZ 85351-6902; Respondents. 27

1	Respondents AGRA-Technologies, Inc., William Jay and Sandra Lee Pierson, and			
2	William H. and Patricia M. Baker ("Respondents") for their Answer to the Arizona			
3	Corporation Commission's Temporary Order to Cease and Desist ("Temporary Order"),			
4	hereby admit, deny, and allege as follows:			
5	I.			
6	JURISDICTION			
7	1. Respondents admit the Arizona Corporation Commission has jurisdiction			
8	over this matter.			
9	II.			
10	RESPONDENTS			
11	2. Respondents admit the allegations in Paragraph 2 of the Temporary Order.			
12	3. Respondents admit that William Jay Peirson's ("PIERSON") address is 6710			
13	Lynx Lane, Flagstaff, Arizona 86004-1404 and that from May 1, 1998, PIERSON has			
14	acted as AGRA's President, Director and Chief Executive Officer. Respondents deny the			
15	remaining allegations in Paragraph 3 of the Temporary Order.			
16	4. Respondents admit that at all relevant times Sandra Lee Pierson was the			
17	spouse of PIERSON. Respondnets' deny the remaining allegations of Paragraph 4 of the			
18	Temporary Order.			
19	5. Respondents admit that Richard Campbell's ("CAMPBELL")address is 8686			
20	West Morten Avenue, Glendale, Arizona 85305-3940 and that from July 23, 2003 to June			
21	15, 2006, CAMPBELL acted as AGRA's Vice President and Director. Respondents deny			
22	the remaining allegations in Paragraph 5 of the Temporary Order.			
23	6. Respondents deny the allegations in Paragraph 6 of the Temporary Order.			
24	7. Respondents admit that William H. Baker's ("BAKER") address is 3027 N.			
25	Alta Vista, Flagstaff, Arizona, 86004 and that since July 2003, BAKER has acted AGRA's			
26	Secretary, Treasurer, and CFO. Respondents deny the remaining allegations in Paragraph			
27	7 of the Temporary Order.			

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	8.	Respondents admit that at all relevant times Patricia M. Baker was the				
spou	spouse of BAKER. Respondents deny the remaining allegations in Paragraph 8 of the					
Tem	Temporary Order.					
	9.	Respondents admit that Jerry J. Hodges' ("HODGES") address is 1858				
Gun	Gunlock Court, St. George, Utah 84790-6705. Respondents deny the remaining					
alleg	allegations in Paragraph 9 of the Temporary Order.					
	10.	Respondents deny the allegations in Paragraph 10 of the Temporary Order.				
	11.	Respondents admit that Lawrence Kevin Paille's ("PAILLE") address is 220				
Pinon Woods Drive, Sedona, Arizona 86351-6902. Respondents deny the remaining						
alleg	allegations in Paragraph 11 of the Temporary Order.					
	12.	Respondents deny the allegations in Paragraph 12 of the Temporary Order.				
	13.	Paragraph 13 of the Temporary Order contains no allegations and therefore				
does not require a response.						
	14.	Paragraph 14 of the Temporary Order contains no allegations and therefore				
does	does not require a response.					
		III.				
		FACTS				
Α.		PONDENTS' PURPORTED PRECIOUS METAL RECOVERY ERTISE AND TECHNOLOGIES				
	15.	Respondents deny the allegations in Paragraph 15 of the Temporary Order.				
	16.	Respondents deny the allegations in Paragraph 16 of the Temporary Order.				
	17.	Respondents deny the allegations in Paragraph 17 of the Temporary Order.				
	18.	Respondents deny the allegations in Paragraph 18 of the Temporary Order.				
В.	THE	ORE RIGHTS & MINING AGREEMENTS				
	19.	Respondents deny the allegations in Paragraph 19 of the Temporary Order.				
	20.	Respondents deny the allegations in Paragraph 20 of the Temporary Order.				
	21.	Respondents deny the allegations in Paragraph 21 of the Temporary Order.				

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Respondents deny the allegations in Paragraph 22 of the Temporary Order.

1		23.	Respondents deny the allegations in Paragraph 23 of the Temporary Order.
2		24.	Respondents deny the allegations in Paragraph 24 of the Temporary Order.
3		25.	Respondents deny the allegations in Paragraph 25 of the Temporary Order.
4		26.	Respondents deny the allegations in Paragraph 26 of the Temporary Order
5	C.	THE	E AGRA STOCK
6		27.	Respondents deny the allegations in Paragraph 27 of the Temporary Order.
7		28.	Respondents deny the allegations in Paragraph 28 of the Temporary Order.
8		29.	Respondents deny the allegations in Paragraph 29 of the Temporary Order.
9		30.	Respondents deny the allegations in Paragraph 30 of the Temporary Order.
10	D.	RES	PONDENTS' REPRESENTATIONS THAT THEY CAN EXTRACT
11		EFF	CIOUS METALS FROM VOLCANIC CINDERS ON A COST ECTIVE BASIS IS FALSE
12		31.	Respondents deny the allegations in Paragraph 31 of the Temporary Order.
13		32.	Respondents deny the allegations in Paragraph 32 of the Temporary Order.
۱4		33.	Respondents deny the allegations in Paragraph 33 of the Temporary Order.
15		34.	Respondents deny the allegations in Paragraph 34 of the Temporary Order
16		35.	Respondents deny the allegations in Paragraph 35 of the Temporary Order.
17		36.	Respondents deny the allegations in Paragraph 36 of the Temporary Order.
18		37.	Respondents deny the allegations in Paragraph 37 of the Temporary Order.
9		38.	Respondents deny the allegations in Paragraph 38 of the Temporary Order.
20		39.	Respondents deny the allegations in Paragraph 39 of the Temporary Order.
21	E.	RES	PONDENTS' ONGOING ACTIVITY
22		40.	Respondents deny the allegations in Paragraph 40 of the Temporary Order.
23		41.	Respondents deny the allegations in Paragraph 41 of the Temporary Order.
24			IV.
25			VIOLATION OF A.R.S. § 44-1841
26			Offer and Sale of Unregistered Securities
27		42.	Respondents deny the allegations in Paragraph 42 of the Temporary Order.

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Respondents deny the allegations in Paragraph 43 of the Temporary Order.

1	44.	Respondents deny the allegations in Paragraph 44 of the Temporary Order.			
2		V.			
3		VIOLATION OF A.R.S. § 44-1842			
4		Transactions by Unregistered Dealers or Salesmen			
5	45.	Respondents deny the allegations in Paragraph 45 of the Temporary Order.			
6	46.	Respondents deny the allegations in Paragraph 46 of the Temporary Order.			
7	·	VI.			
8	VIOLATION OF A.R.S. § 44-1991				
9		(Fraud in connection with the Offer or Sale of Securities)			
10	47.	Respondents deny the allegations in Paragraph 47 of the Temporary Order.			
11	48.	Respondents deny the allegations in Paragraph 48 of the Temporary Order.			
12		AFFIRMATIVE DEFENSES			
13	1.	By alleging the matters set forth below under the heading "Affirmative			
14	Defenses,"	AGRA does not thereby allege or admit that AGRA has the burden of proof			
15	and/or the b	urden of persuasion with respect to any of those matters.			
16	2.	The Temporary Order fails to state a claim upon which relief can be granted			
17	against AGRA, as AGRA has not sold securities or issued/offered stock.				
18	3.	Respondents reserve the right to supplement or amend any part of their			
19	Answer, including their affirmative and additional defenses.				
20	WHI	EREFORE, having fully defended the Temporary Order, Respondents pray			
21	for judgment as follows:				
22	A.	That the Temporary Order be dismissed with prejudice.			
23	В.	For taxable costs and attorney's fees incurred herein.			
24	C.	For such further relief that the Commission deems just and proper.			
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RESPECTFULLY SUBMITTED this 20th day of November, 2006. 1 2 **QUARLES & BRADY STREICH LANG LLP** 3 By 4 Lonnie J. Williams, Jr. Carrie M. Francis 5 Attorneys for Named Respondents 6 ORIGINAL and 13 copies of the 7 foregoing hand delivered this 20th day of November, 2006, to: 8 **Docket Control** 9 Arizona Corporation Commission 1200 West Washington Street 10 Phoenix, AZ 85007 11 COPY of the foregoing hand delivered this 20th day of November, 2006, to: 12 Securities Division 13 Arizona Corporation Commission Attn: Mike Dailey and Mark Dinell 14 1300 West Washington Street Phoenix, AZ 85007 15 ONE COPY of the foregoing mailed 16 this 20th day of November, 2006, to: 17 Peter Strojnik The Law Firm of Peter Strojnik 18 3030 North Central Ave. **Suite 1401** 19 Phoenix, AZ 85012 Attorneys for Respondents Campbells 20 Geoffrey S. Kercsmar 21 3260 N. Hayden Road Suite 204 22 Scottsdale, AZ 85251 Attorneys for Respondents Hodges and Paille 23 24 25 OBPHX\126731.00002\2052072.1 26 27

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